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State of Utah

DEPARTMENT OF NATURAL RESOURCES

Division of Oil, Gas & Mining

MICHAEL R. STYLER
Executive Director

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Inspection Report

Minerals Regulatory Program

Report Date September 7, 2005

Supervisor 1024

Mine Name: DKG Quarry
Operator Name: Diamond K Gypsum

Permit number: M/015/041
Inspection Date: August 17, 2005
Time: 11:00 AM to 12:30 PM

Inspector(s): Paul Baker

Other Participants: Clint Henry and Karen Palmer (Diamond K), Rebecca Doolittle (Price BLM), Rex Funk and Morris Sorensen (Emery County Roads)

Mine Status: Active

Weather:

Elements of Inspection	Evaluated	Comment	Enforcement
1. Permits, Revisions, Transfer, Bonds	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Public Safety (shafts, adits, trash, signs, highwalls)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Protection of Drainages / Erosion Control	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. Deleterious Material	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Roads (maintenance, surfacing, dust control, safety)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6. Concurrent Reclamation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Backfilling/Grading (trenches, pits, roads, highwalls, shafts, drill holes)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Water Impoundments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Soils	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Revegetation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11. Air Quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Purpose of Inspection:

Our original purpose was to discuss a new haul road the operator is thinking about building, but we discussed several other issues, including revegetation and the location of a relocated county road.

Inspection Summary:

1. Permits, Revisions, Transfer, Bonds

On June 7, 2005, the Division gave final approval to an amendment to expand the mine by 1.49 acres. Also included in this action were partial bond release of an area graded and seed in 2005, and escalation of the bond to 2010 dollars.

3. Protection of Drainages / Erosion Control

Photo 4 shows an area on the north side of the newly-opened quarry where there was a mass failure of fill. The operator mines on top of a small plateau, and there are several small drainages around the edge of this plateau into which overburden is placed. I believe drainage from the quarry piped into this fill and destabilized it. There has also been some erosion around the perimeter of the quarry.

5. Roads (maintenance, surfacing, dust control, safety)

The operator has been considering building a short new section of road that would extend from the crossing at Salt Wash directly to the area currently being quarried. This would be an amendment to

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the plan, and the bonding cost could probably be covered under the contingency in the existing bond. Building this section of road would allow the operator to reclaim about 3-4 acres of mine and road areas.

We also discussed relocation of the Moore Road which currently runs east of the mine. The county anticipates soon beginning construction to relocate this road, and it would be west of the mine. This would decrease the operator's haul distance, but it would also completely change the access route to the mine. It would also affect the mining sequence. The operator currently has plans to mine a series of areas, but the order of mining these areas would probably be reversed if the county road was relocated. If this happens, the new road the operator is considering (see previous paragraph) would not be necessary.

10. Revegetation

There is a moderate amount of vegetation in the area that was graded and seeded in 2004. There are a lot of shrubs, and I am optimistic these and the grasses will eventually provide adequate cover for this area to be released.

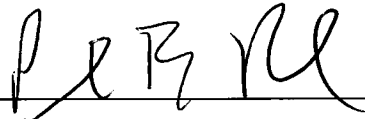
Some areas were reseeded for about the third time in 2004, and while there is an increased number of plants, there may not be enough to eventually achieve 70 percent of the cover in undisturbed areas. Mrs. Palmer and Mr. Henry asked whether these areas could be released based on Diamond K's efforts and rule R647-4-111.13.12. This rule says the Division can make a determination that revegetation has been completed within practical limits. As far as I am aware, the operator has done everything that was recommended by both the Division and the BLM. Before releasing these areas based on this rule, I would like to see if they progress enough over about the next year that they can be released with the normal success standard.

Photo 1 shows an area that was reseeded in 2004, and Photo 2 shows the area that was graded and seeded last fall. Most of the plants visible in these pictures are weeds because the seeded species are not yet large enough.

Conclusions and Recommendations:

The north side of the active quarry area needs to be graded to fix the piping, reestablish the berm, and to allow water to flow away from the slump. I suggest that runoff from this area be directed toward a depression on the west side of the mine which could serve as a sediment control structure.

Inspector's Signature



Date: September 7, 2005

PBB:jb

cc: Karen Palmer, Diamond K
Rebecca Doolittle, Price BLM
Attachment: Photo Attachment

ATTACHMENT

Photographs

M/015/041, DKG Quarry, Diamond K Gypsum

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Photo 1. Area that was reseeded in the fall of 2004.

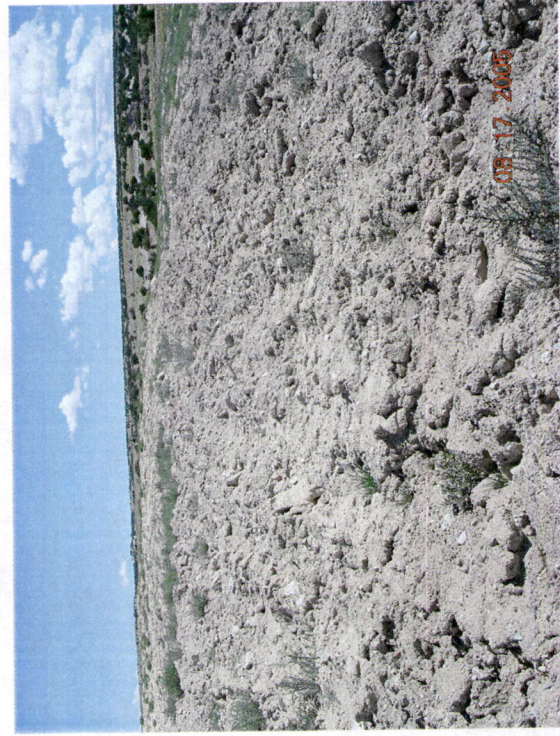


Photo 2. Area that was newly graded and seeded in the fall of 2004.



Photo 3. Overview of the quarry area.



Photo 4. A mass failure into Salt Wash from the outslope of the quarry.